

"The Cancer Screening Coverage Act of 1999" is an important first step to ensuring that the goals of reducing cancer mortality and incidence, as well as improving the quality of life for all cancer patients, are met. Mr. Speaker, I hope my colleagues will join me in taking this opportunity to save almost 150,000 Americans a year.

INTRODUCTION OF LEGISLATION

HON. JIM McCRERY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1999

Mr. McCRERY. Mr. Speaker, once again, I am introducing legislation to remedy a problem brought to my attention by the U.S. utility industry involving the taxation of foreign operations of U.S. electric and gas utilities. These firms were prohibited for many years from doing business abroad until the National Energy Policy Act (NEPA), enacted in 1992, removed that prohibition. With passage of NEPA, and as some foreign governments began privatizing their national utilities and increasing energy demands necessitated the construction of new facilities to fulfill the new capacity, U.S. utilities began to make foreign investments. Since 1992, U.S. utility companies have made significant investments in utility operations in the United Kingdom, Australia, Eastern Europe, and South America.

Foreign utilities are particularly attractive investments from a U.S. viewpoint. They are not "runaway plants", but rather stimulate job creation in the U.S. in design, architecture, engineering, construction and heavy equipment manufacturing. When the subsidiary of an U.S. utility builds generating plants, transmission lines, or distribution facilities to serve its foreign customers, these most often come from U.S. suppliers. Given that the U.S. energy market is mature, overseas investments are a good way for U.S. utilities to diversify and grow, to the benefit of their employees and their shareholders.

Unfortunately, the Internal Revenue Code penalizes these investments by subjecting them to double taxation. Under the foreign tax credit rules, the interest expense of a U.S. person is allocated in part to its foreign operations based on the theory of the "fungibility of money." The allocation formula in Internal Revenue Code section 864 requires U.S. domestic interest expense to be allocated based on the value of the company's foreign and domestic assets. If a firm has mature (depreciated) U.S. assets and newly acquired overseas assets, like many U.S. utilities, a disproportionate amount of U.S. interest expense will be allocated abroad. The result is a very high effective tax rate on that foreign investment and a loss of U.S. foreign tax credits. Rather than face this double tax penalty, some U.S. utilities have actually chosen not to invest overseas and others have pulled back from their initial investments.

One solution to this problem is found in the legislation that I am introducing today. Our remedy is to exempt the debt associated with a regulated U.S. utility business (the furnishing and sale of electricity or natural gas) from the interest allocation rules of Internal Revenue Code section 864. The proposal would allocate and apportion interest expense attrib-

utable to qualified infrastructure solely to sources within the United States. "Qualified infrastructure indebtedness" would be defined as debt incurred in a corporation's trade or business of furnishing or selling electricity or natural gas in the United States. Further, the rates for such furnishing or sale of electrical energy must be regulated or set by the Federal Government, a State, the District of Columbia or a political subdivision thereof.

I am also aware that my colleagues on the Committee on Ways and Means, Congressmen HOUGHTON and LEVIN, together with Senators HATCH and BAUCUS, have been leading a multiyear effort to reform the international tax laws. I am a strong supporter of that effort, which is intended in part to rectify the disconnect between our Nation's favorable trade laws and our tax laws, which too often penalize American firms wanting to expand into foreign markets. The problem of interest allocation has not yet been addressed in the Houghton-Levin legislation, but I strongly urge that this provision be included in any foreign tax reform bill introduced in the next Congress. Further, because the process of getting legislation enacted into law properly involves consultation with Treasury, the affected industry, and the bar, we encourage those with subject matter expertise in this area to review our bill. I believe my bill reflects the best thinking now available on how to address this serious problem, but we are certain that further reflection will yield even better for U.S. utilities attempting to invest overseas.

IN RECOGNITION OF KICK BUTTS DAY

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1999

Mr. KING. Mr. Speaker, I rise today to recognize McKenna Elementary School in Massapequa, New York, for their participation in the national anti-smoking campaign, "Kick Butts Day." This truly motivational program has been diligently organized by the students of this elementary school.

As we all know, young people are easy targets for the tobacco industry and this is evidenced by the increase in teen smoking throughout the nation. Smoking hurts young people's physical well-being. It can be associated with poor overall health and can lead to more severe conditions if continued. Many children are pressured into smoking. The younger a child begins smoking, the more likely he is to become strongly addicted to nicotine. Nicotine is a drug that causes cancer, heart disease and emphysema. Statistics show that teens who smoke are more likely than nonsmokers to use alcohol, marijuana, and cocaine. Children are only putting themselves at risk by starting to smoke.

Again, it is important to recognize all the schools throughout the nation participating in "Kick Butts Day." Mr. Speaker, I would especially like to commend Principal John Gleason and all the staff and students of McKenna Elementary School in Massapequa, New York for their outstanding work promoting their message: "Don't start smoking! If you smoke, stop!"

A TRIBUTE TO JUSTO RODRIGUEZ SANTOS

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1999

Mr. DIAZ-BALART. Mr. Speaker, a great poet, Dr. Justo Rodriguez Santos, recently passed away in New York.

Dr. Rodriguez Santos was a man of extraordinary talent and sensitivity whose commitment to democracy and his fellow man will be enormously missed. Born in Santiago, Cuba in 1915, he received his doctorate in philosophy and literature from the University of Havana. His writings capture the human experience and demonstrate the triumph of the human spirit. Through his poetry and writings, he communicated his vision of the world with grace and flair. His wisdom and generous spirit will live on in the poems he left for us. He was a great Cuban who will always be remembered as a lover of freedom.

I am privileged to personally know Mari R. Ichaso and Leon Ichaso, the very talented daughter and son of Dr. Rodriguez Santos. I send them and Dr. Rodriguez Santos' widow, Mrs. Antonia Ichaso Rodriguez, my sympathy and deep affection of this difficult time.

Below is the obituary from the New York Times, dated April 13, 1999, that details further the life of this great Cuban poet.

JUSTO RODRIGUEZ SANTOS, 83, EXPATRIATE CUBAN POET

(By Nick Ravo)

NEW YORK.—Justo Rodriguez Santos, a Cuban poet who became disenchanted with Fidel Castro in the 1960s, exiled himself from his native land and became an advertising executive in the United States, died on Wednesday at St. Luke's-Roosevelt Hospital Center in Manhattan. He was 83.

Rodriguez Santos was a minor member of Origenes, a prominent group of writers and painters founded by the poet Jose Lezama Lima in the 1930s and loosely linked to the American poet Wallace Stevens. The name Origenes was a play on words, meaning both origins and a church father; the group's work was strongly influenced by the Roman Catholic faith. Origenes was also the name the artists chose for an influential literary magazine they published from 1944 to 1954.

"It was a very important journal in the history of Latin American culture," said Roberto Gonzalez Echevarria, a professor of Hispanic and comparative literature at Yale University.

Rodriguez Santos was born in Santiago, Cuba, on Sept. 28, 1915, and moved to Havana at an early age. He earned a degree at the University of La Salle in Havana and a doctorate in philosophy and literature from the University of Havana. He also worked in television and radio in Cuba.

His books of poetry include "Luz Cautiva" ("Captive Light," 1936), "La Belleza Que el Cielo No Amortaja" ("The Beauty the Sky Will Not Shroud," 1950), "El Diapason del Ventisquero" ("Echoes of a Whirlwind," 1976), "Los Naipes Conjurados y las Operas del Sueno" ("The Conjured Cards and the Operas of Dreams," 1979 and 1989).

He also wrote a nonfiction account of the Cuban revolution, "The Moncada Epic: Poetry of History," in 1963.

"It was translated into several languages, and it was a favorite of Mao's," said Rodriguez Santos' daughter, Mari Rodriguez Ichaso of Manhattan.